

MATERIAL CONTRACTS WITH RELATED PARTIES

The following are the material contracts of Sunway Holdings Incorporated Berhad (“SunInc”) and its subsidiaries involving directors’ and major shareholders’ interests pursuant to Paragraph 9.25, Part A of Appendix 9C(20) of the Kuala Lumpur Stock Exchange Listing Requirements for the financial year ended 31 December 2002:-

1. SunInc had on 13 May 2002 entered into a Restructuring Agreement with Sunway Construction Berhad (“SunCon”), a 62.68% owned subsidiary of SunInc, Sunway Building Technology Berhad (“SunTech”), a 50.87% owned subsidiary of SunInc, Dolomite Berhad (“DB”), Lim Beng Keat and Huang Jen Soong to give effect to the SunTech Group’s restructuring exercise (“Proposed Corporate Restructuring Exercise of SunTech”) which principally involves SunTech disposing its existing business, assets and liabilities to SunInc and SunCon and the proposed acquisition of DB which will ultimately result in the reverse take over of SunTech by Huang Jen Soong, Lim Beng Keat, Lau Huan Yeong and Lau Huang Nam and the back door listing of DB on the Main Board of Kuala Lumpur Stock Exchange.
2. Menara Sunway Sdn Bhd (“MSSB”), a 51% owned subsidiary of SunInc had on 16 May 2002 entered into a Menara Sunway Sale and Purchase Agreement with Sunway City Berhad (“SunCity”) and ABS Real Estate Berhad (“AREB”) for the disposal by MSSB of all those parcels of leasehold land being part of the lands held under Master Title HS(D) 11836, PT32, Bandar Sunway, Daerah Petaling and the buildings erected thereon (“Menara Sunway”) to AREB for a total consideration of RM125 million to be satisfied via a combination of cash and Subordinated Class D Notes.
3. MSSB had on 13 June 2002 entered into an Agreement to enter into Menara Sunway Sublease with SunCity, Mayban Trustees Berhad and AREB for the granting of a sublease in respect of Menara Sunway by SunCity to MSSB for a term of 35 years less 1 day.
4. SunInc had on 27 June 2002 entered into a Supplemental Restructuring Agreement with SunTech, SunCon, Huang Jen Soong, Lim Beng Keat and DB as a supplement to the Restructuring Agreement dated 13 May 2002.
5. SunCon had on 27 June 2002 entered into a Sale and Purchase Agreement with Suntech and its wholly-owned subsidiary, Sun-Block PMI Sdn Bhd for and in relation to the proposed disposal by SunTech of its entire equity interests in Suntech Industries Sdn Bhd and the Construction Subsidiaries (which will be grouped under Sunway Machineries Sdn Bhd and the transfer of SunTech liabilities to SunCon for a cash consideration of RM1.00), as part of the Proposed Corporate Restructuring Exercise of SunTech (“Proposed Divestment to SunCon”).
6. SunInc had on 27 June 2002 entered into a Collateral Agreement with SunCon. Under the aforesaid agreement, SunInc has undertaken to compensate SunCon for the net tangible liabilities of specific construction subsidiaries (comprising 9 subsidiaries principally involved in the construction and construction related sector, hereinafter referred to as the “Construction Subsidiaries”) and an associated company of SunTech and any third party debts which remained unrecovered 1 year after the completion of the Proposed Divestment to SunCon.
7. SunInc had on 27 June 2002 entered into a Sale and Purchase Agreement with SunTech in relation to the proposed acquisition of 2 ordinary shares of RM1.00 each representing 100% equity interest in City Leader Sdn Bhd from SunTech for a purchase consideration of RM23 million to be satisfied by the set-off against the net inter-company balances owing by SunTech to SunInc.
8. SunInc had on 11 September 2002 entered into a Letter of Agreement with SunCon in relation to the proposed offer to buy-back any of the USD54,832,248.25 Variable Rate Bonds issued by SunInc in December 1996 (“Bonds”) so acquired by SunCon at 95% of their outstanding principal amount of the Bonds.

MATERIAL CONTRACTS WITH RELATED PARTIES (cont'd)

9. Sunway Builders Sdn Bhd, a wholly-owned subsidiary of SunInc had on 16 September 2002 accepted an award from SunCon to construct and complete the infrastructure works comprising roads, drainage and sewerage reticulation and manholes for Cadangan Pembangunan Perumahan Puncak Perdana (Stage 1A) at Seksyen U10, Shah Alam, Selangor Darul Ehsan for a total contract sum of RM15.2 million.
10. SunInc had on 24 September 2002 entered into a Supplemental Collateral Agreement with SunCon as a supplement to the Collateral Agreement dated 27 June 2002.
11. Sunwaymas Sdn Bhd, a wholly-owned subsidiary of SunInc had on 25 September 2002 awarded a contract to SunCon to construct and complete 100 units of low cost apartments and 200 units of medium cost apartments on Lot 7142, Mukim Kajang, Daerah Hulu Langat for a total contract sum of RM13.3 million.

NOTES:

(a) Relationships of Related Parties for items (1) & (4) above

Tan Sri Dato'Seri (Dr) Cheah Fook Ling who is a Director of SunInc, is also a Director of SunCon. He has direct and deemed interests of 1.04% and 46.16% respectively in SunInc as well as 2,500,000 unexercised share options. He also has a direct interest of 0.01% in SunCon and deemed interests of 62.68% and 50.87% in SunCon and SunTech respectively via SunInc.

Dato' Chew Chee Kin who is a Director of SunInc, is also a Director of SunTech and SunCon. He has direct interests of 0.03% and 0.01% in SunInc and SunCon respectively. He also has 1,000,000 unexercised share options in SunInc. He does not have any shares in SunTech.

Dato' Tan Kia Loke who is a Director of SunInc, is also a Director of SunTech and SunCon. He has 1,000,000 unexercised share options in SunInc and a direct interest of 0.01% in SunCon. He does not have any shares in SunTech.

Yau Kok Seng who is a Director of SunInc, is also a Director of SunTech. He has 1,000,000 unexercised share options in SunInc and a direct interest of 0.01% in SunCon. He does not have any shares in SunTech.

(b) Relationships of Related Parties for items (2) & (3) above

Tan Sri Dato'Seri (Dr) Cheah Fook Ling who is a Director of SunInc, is also a Director of SunCity. He has direct and deemed interests of 1.04% and 46.16% respectively as well as 2,500,000 unexercised share options in SunInc. He also has direct and deemed interests of 3.18% and 42.71% respectively in SunCity.

(c) Relationships of Related Parties for item (5) above

Tan Dato' Seri (Dr) Cheah Fook Ling is a Director of SunCon. He has a direct interest of 0.01% in SunCon and deemed interests of 62.68% and 50.87% in SunCon and SunTech respectively via SunInc.

Dato'Chew Chee Kin and Dato' Tan Kia Loke are Directors of SunTech and SunCon. They have direct interests of 0.01% respectively in SunCon. They do not have any shares in SunTech.

MATERIAL CONTRACTS WITH RELATED PARTIES (cont'd)

(d) Relationships of Related Parties for items (6), (8), (9), (10) & (11) above

Tan Sri Dato'Seri (Dr) Cheah Fook Ling who is a Director of SunInc, is also a Director of SunCon. He has direct and deemed interests of 1.04% and 46.16% respectively in SunInc as well as 2,500,000 unexercised share options. He also has a direct interest of 0.01% in SunCon and deemed interests of 62.68% in SunCon via SunInc.

Dato'Chew Chee Kin who is a Director of SunInc, is also a Director of SunCon. He has direct interests of 0.03% and 0.01% in SunInc and SunCon respectively. He also has 1,000,000 unexercised share options in SunInc.

Dato' Tan Kia Loke who is a Director of SunInc, is also a Director of SunCon. He has 1,000,000 unexercised share options in SunInc and a direct interest of 0.01% in SunCon.

(e) Relationships of Related Parties for item (7) above

Tan Sri Dato'Seri (Dr) Cheah Fook Ling is a Director of SunInc and he has direct and deemed interests of 1.04% and 46.16% respectively in SunInc as well as 2,500,000 unexercised share options. He also has deemed interest of 50.87% in SunTech via SunInc.

Dato'Chew Chee Kin who is a Director of SunInc, is also a Director of SunTech. He has a direct interest of 0.03% and 1,000,000 unexercised share options in SunInc. He does not have any shares in SunTech.

Dato' Tan Kia Loke who is a Director of SunInc, is also a Director of SunTech. He has 1,000,000 unexercised share options in SunInc. He does not have any shares in SunTech.

Yau Kok Seng who is a Director of SunInc, is also a Director of SunTech. He has 1,000,000 unexercised share options in SunInc. He does not have any shares in SunTech.

SANCTIONS AND PENALTIES

There were no public sanctions and/or penalties imposed on SunInc and its subsidiaries, directors or management by the relevant regulatory bodies for the financial year ended 31 December 2002.

NON-AUDIT FEES

The amount of non-audit fees payable by SunInc Group to the external auditors for the financial year ended 31 December 2002 amounted to RM96,300/-.

VERIFICATION OF EMPLOYEES' SHARE OPTION SCHEME ("ESOS") ALLOCATION

SunInc had appointed a firm of public accountants to verify the allocation of options granted to the Group's eligible employees during the financial year ended 31 December 2002 in accordance with the ESOS Bye-Law 4.6 and Chapter 16, Paragraph (2)(c) of the Securities Commission's Policies and Guidelines on Issue/Offer of Securities.